CHILD SUPPORT COMMITTEE

Meeting Minutes – June 24, 2003

PRESENT:

Hon. Peter Hershberger, Co-Chair Kat Cooper for Hon. Michael Jeanes

Hon. James Waring, Co-Chair Michelle Krstyen

Hon. Manuel Alvarez Ezra Loring for Susan Gerard

Hon. Mark Armstrong David Norton
Robert L. Barrasso Hon. Rhonda Repp

Karen Kretschman for David Byers
Maryanne Dye for Charles DiGeronimo
Kim Gillespie

Benidia Rice
Russell Smoldon
Hon. Monica Stauffer

Kym L. Hull Bianca Varelas-Miller

NOT PRESENT:

Hon. Bill Brotherton Chuck Shipley

Suzanne Miles

GUESTS:

Anna Bronnenkant Parent

Theresa Barrett Administrative Office of the Courts

STAFF:

Barbara Guenther Senate

Megan Hunter Administrative Office of the Courts
Isabel Gillett Administrative Office of the Courts

CALL MEETING TO ORDER

The meeting was called to order at 10:22 a.m. by Rep. Peter Hershberger with a quorum present. Members took turns introducing themselves.

APPROVAL OF MINUTES

MOTION: Dave Norton made a motion to approve the minutes of the April 22, 2003 meeting as submitted. Second by Russell Smoldon. Approved unanimously.

ANNOUNCEMENTS

House Bill 2135 was signed into law by Governor Napolitano. The bill eliminates the urban county attorney position from the Child Support Committee in recognition that there are no urban county attorney child support programs in the state any longer. As of the general effective date, September 18, 2003, the full Committee membership will be comprised of 21 members instead of 22.

SUPPORT PAYMENT CLEARINGHOUSE PRESENTATION VALARIE MERRITT

Valarie Merritt, Affiliated Computer Systems (ACS) manager, and Andy Wangrycht, Division of Child Support Enforcement Clearinghouse manager, gave a co-presentation regarding Arizona's Support Payment Clearinghouse. The clearinghouse is operated by a private company, ACS, for the State of Arizona and processes approximately 95% of all child support payments in Arizona for both IV-D and non-IV-D. Ms. Merritt explained the child support payment processing system from receipt of a payment, internal operational mechanisms, and payment tracking and disbursement. After processing payments, ACS reconciles the books down to the penny each day, then transfers the tapes to DCSE. Checks go into the mail within 24 hours after the payments are processed.

In fiscal year 2002, the clearinghouse processed \$492.5 million in support payments. In fiscal year 2003 to date, over \$500 million in payments have been process with a week to go in the fiscal year. Approximately 86% of payments result from wage assignments, 10% come directly from the paying parent, and 4% are received from out-of-state withholdings from other child support agencies. They are attempting to move as many employers as possible to an electronic funds transfer (EFT) process.

A typical problem experienced by the clearinghouse is the issue of unidentified payments resulting from unsigned checks, illegible handwriting, and incorrect or missing case numbers. The clearinghouse goes to great lengths to research each unidentified payment to match it with a case on the ATLAS system. The incidence of unidentified payments is extremely low.

A centralized payment processing center was mandated by the federal government in 1997. Arizona was one of the first states to become certified by the federal government. Some states still are not certified and thus receiving stiff financial penalties.

FEDERAL CHILD SUPPORT PRESENTATION

BILL COFFIN

Bill Coffin, Department of Health & Human Services, Washington D.C., who serves as the director of the President's Healthy Marriage Initiative, provided an overview of that program in relation to child support. The federal child support office, OCSE, recently funded three Special Improvement Project grants that focus on marriage in Ohio, Pennsylvania and Alabama. The projects hope to provide a connection between child support and community programs involved in the Healthy Marriage Initiative. The anticipated result of the projects is to determine if the need for child support would be reduced in relation to fewer marriages being terminated.

BREAK/LUNCH

After a short break, the meeting was called back to order at 12:30 p.m.

NON-IV-D CHILD SUPPORT IN ARIZONA

KAT COOPER

Kat Cooper, office of the Clerk of Superior Court in Maricopa County, provided an overview of the inner workings of services provided to parties involved in a child support case on the non-IV-D side. The program is called Expedited Services; their goal is to secure a stipulation between the parties and a conference officer is used to accomplish the goal. The conference officer meets with the parties, then draws up a report and recommendations for a judicial officer to review and approve. Parties have 25 days to object to the recommendations. If they do, a hearing is scheduled; if they do not, the order is entered. Eighty-eight to ninety per cent of their cases do not result in an objection or request for hearing.

Parent members discussed their experiences in Expedited Services. In one case, a modification was ordered and a wage assignment issued, then an objection was filed and the amount was changed again with a six months retroactive provision. The parent was told that she would have to file for a hearing before a judge to get a wage assignment to cover the retroactive amount. To the parent, this seemed to defeat the purposes of Expedited Services. Kat offered to meet with any members who would like to discuss it further. Judge Armstrong proposed that in cases that are made retroactive, the amount should be converted to an arrearage and the conference officer should recommend an arrearage payment. Another suggestion from a parent was for the court to inform the paying parent of his/her responsibility to make payments directly to the clearinghouse until a wage assignment is in place.

WORKGROUP REPORTS

Statute Cleanup Workgroup – Kim Gillespie

The group met in May and June. The group has reviewed the following issues:

- Default paternity by motion. This recommendation has been referred to the Supreme Court's Committee on the Rules of Procedures in Domestic Relations cases. That Committee will begin meeting in August and will include this issue on their agenda at some point.
- UIFSA Uniform Interstate Family Support Act. Several years ago, Arizona adopted UIFSA in response to a federal mandate. Now, the

Uniform Law Committee has recommended several amendments. Kim analyzed and summarized the proposals for the workgroup and reported that the changes are clarifying and relatively minor. The changes have been adopted in a few states. This group will work with legislative council on a draft document.

 Working on language that would make it easier for a party to be reimbursed when an overpayment exists. In some cases, the child emancipates, but the wage assignment is not stopped, even though no arrearage exists. The change is intended to provide a process for repayment.

Post Secondary Support Workgroup – Judge Stauffer

The group has not met since the last Child Support Committee. She asked to have this placed on the agenda for the next meeting.

MOTION: David Norton made a motion to put this issue on the next Child Support Committee agenda. Seconded by Russell Smoldon. Approved unanimously.

Guidelines Workgroup – Judge Armstrong

The group has a meeting scheduled directly following the present Child Support Committee meeting. Judge Armstrong reported that the guidelines are currently under review for changes to be recommended to the Supreme Court in 2004 and implemented, if approved, in early 2005. The workgroup has been meeting since January and will meet monthly until the work is completed. They are working with some difficult, substantive issues. The guidelines are currently 26 pages long and have been in place for about 15 years. Sometimes, in an effort to make them more equitable, they end up becoming more complicated. The workgroup is trying to comply with a federal mandate of keeping the guidelines understandable and easy to apply.

The group has study and will continue to study and make recommendations on the following:

- Clarifying the parenting time adjustment.
- Determining whether the courts have authority, under federal tax law, to apportion the federal tax exemption. The IRS has been contacted and communicated back to the group that if there is a contest, they do not care what the court says, they will adjudicate it pursuant to federal law. For the vast majority of people, the courts provide a tremendous service to the public by minimizing future conflict. The group is not likely to recommend a change to this section.
- Adding language to require the court to impose a payment on an arrearage that is at least equal to accruing interest. Currently, when the child support obligation ceases and an arrearage is still

owing, the court sometimes does not require a reasonable payment on arrearages. The change would suggest or require the arrearage payment to be at least the same as the current support payment had been.

- Adding a presumptive termination date of child support. Currently, child support terminates at age18, or until 19 if still in high school. This change would create a presumptive termination date when child support is established or modified.
- Reviewing a suggestion that the income of a new spouse should be included as gross income.
- Reviewing a recommendation of the Post-Secondary Support workgroup. The Child Support Committee will be voting on whether a recommendation of that workgroup should be referred to the Guidelines workgroup.

The group is considering a recommendation to this Committee to create a sub-workgroup to look at underlying economic models used to build Arizona's Schedule of Basic Support Obligations.

Strategic Planning Workgroup – Megan Hunter for Chuck Shipley

Megan reported that Chuck Shipley has agreed to serve as chairperson of this workgroup and asked for additional volunteers. Kat Cooper, Kim Gillespie and Karen Kretschman volunteered in addition to previous volunteers. Megan will contact them to set up an August meeting.

CALL TO THE PUBLIC

No members from the public were present.

NEXT MEETING

The next meeting will be held on September 23, 2003, at the Arizona State Courts Building, 1501 W. Washington.

ADJOURNMENT

Rep. Hershberger adjourned the meeting at 1:00 p.m.